



August 2009 Investment Review

The Hereford/DSM Large Cap Fund appreciated 2.1% for the month of August compared to a 2.1% appreciation for the Russell 1000 Growth index and a 3.6% appreciation for the S&P500. The majority of your portfolio continues to be invested in the health care, technology, consumer, business services and financial services sectors. As of this writing, the weighted portfolio is valued at approximately 18.7x next-four-quarters earnings through September 2010 and 16.9x calendar 2010 earnings.

While the economy may well be past or near the technical bottom of an economic cycle that will likely be known as the "Great Recession," we believe a "V" shaped recovery is unlikely. The massive policy stimulus and financial guarantee programs of the Federal Reserve appear to have prevented a re-run of the 1930s "Great Depression." Although a depression has been avoided jobs are being lost at a rate of 250,000 a month; a still terrible number but a big improvement from earlier losses of 600,000 per month. With joblessness high, retail sales have been weak because consumers are worried about their jobs and must pay down debt and increase their savings. Some retailers have reported better than expected earnings, but this has been due to better gross margins on tightly managed inventory levels, as well as cost cuts.

The flip side of the coin of anemic demand is excess corporate capacity. Domestically and globally, corporations have significant excess capacity and therefore have little need to make capital investments. Recent and near-term economic statistics will be "gimmicked" upward by the "cash for clunkers" program. But make no mistake; this program simply reduces long-term real economic growth by creating tax-payer subsidized artificial economic growth over the near term. On that note, it is worth remembering that long-term economic growth is related to both corporate and government financial stability. Over the last twelve months we have witnessed the transfer of massive amounts of financial company debt onto the balance sheet of the United States Government. Investors should remember that over the longer term there is a limit as to how much debt even the US Government can issue.

During August, we sold our position in Research in Motion. The company has done an outstanding job managing and growing its business. But it is our belief that the Apple I-Phone may launch with Verizon during 2010, and if that occurs the impact on RIMM may prove quite negative. We did not initiate any new positions in the portfolio. We continue to be optimistic about the portfolio. Earnings results were very good for the second quarter. Balance sheets and cash flow are strong, and valuations are very reasonable. Earnings growth in 2009 is in the mid-single digit area, but looks set to reaccelerate to a more normal high-teens rate next year.

Key information

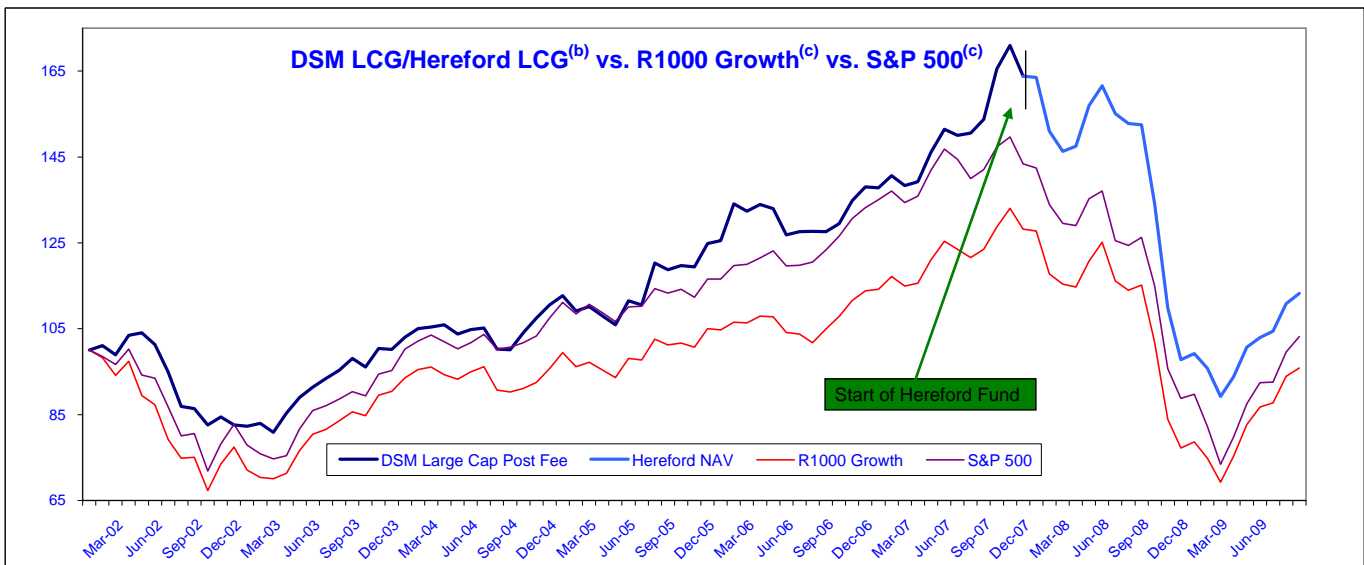
NAV A Shares (31/08/09): US\$ 69.11
 Total Fund Size: US \$45.1 mil
 Strategy Assets: US\$1,575.9 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.5)	(6.8)	5.1	7.3	2.2	1.5	6.1	2.1					14.1
Russell 1000 ^(c)	(4.8)	(7.5)	8.9	9.6	5.0	1.1	7.1	2.1					21.9
S&P 500 ^(c)	(8.4)	(10.7)	8.8	9.6	5.6	0.2	7.6	3.6					15.0

Period Performance (%)

	YTD	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	14.1	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	13.2	1.6
Russell 1000 ^(c)	21.9	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	(4.1)	(0.5)
S&P 500 ^(c)	15.0	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	3.2	0.4





Top Ten Holdings

Apple Computer
 Celgene
 Cognizant Technology Solutions
 Genzyme
 Google
 Monsanto
 Novo Nordisk A/S
 Qualcomm
 SEI Investments
 State Street

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Health Care	36.3%
Information Technology	21.7%
Financials	12.7%
Services	11.0%
Consumer Staples	9.2%
Materials	5.5%
Industrials	2.6%

Investment Objective

The investment objective of the LCG sub fund is to provide capital appreciation principally through investments in US-based growing corporations with market capitalizations generally above 2 billion dollars. These companies are chosen for their growth prospects, attractive returns, solid business fundamentals and intelligent management. The sub fund may, on an ancillary basis, invest in US-based companies with lower market capitalizations as well as in non-US based companies. The Compartment may invest in American Depository Receipts and American Depository Shares. The reference benchmark for this strategy is the Russell 1000 Growth Index.

Fund Codes (Share Class A)	Since Inception Risk Profile	Hereford DSM US LCG	DSM LCG Composite	R1000 Growth	
Bloomberg	DSMUSLA LX	Volatility	n/a	14.7	16.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.0	-0.1
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	8.1	
Valoren	3504726	Beta	n/a	0.8	
WKN	A0M58T	Alpha	n/a	1.6	

Fund Details

Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC, 320 East Main Street, Mount Kisco, NY 10549, USA
Promoter	VP Bank (Luxembourg) S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Authorized Corporate Director	VPB Finance S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Custodian	VP Bank (Luxembourg) S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Legal Advisers	Elvinger, Hoss & Prussen, 2 Place Winston Churchill, L-1340 Luxembourg
Auditor	Deloitte, 560 Rue de Neudorf, L-2220 Luxembourg

Annual Management Charge

Share Class A & U ^(f)	1.25%
Share Class B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C ^(e)	1% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class D	1.75%

Minimum Investment

Share Class A&B	\$100,000 initial / \$10,000 subsequent
Share Class C&D	\$10,000 initial / \$1,000 subsequent

Order Transmission Information

Original Applications To:

VPB Finance S.A.
 attn. Fund Operations / TA-HFF
 P.O. Box 923
 L-2019 Luxembourg
 or, for transmissions via courier service,
 26, avenue de la Liberté, L-1930 Luxembourg

Subsequent Applications Only Via Facsimile:

VPB Finance S.A.
 attn. Fund Operations / TA-HFF
 Fax : (+352) 404 770 283
 Tel: (+352) 404 770 260
 e-mail: luxfunds.info@vpbank.com

- (a) This refers to the total assets invested in the reference strategy managed by the Investment Manager
 (b) Data and graph depict DSM Composite through November 2007 and Hereford Funds DSM US Large Cap Growth Fund Class A thereafter. Historical gross performance of DSM Large Cap Composite returns (the Reference Strategy) is net of modeled fee and expense typical of Hereford Funds DSM US Large Cap Growth Fund Class A (1.25% fee + 0.25% expense). Fund follows same strategy. Performance presentation incomplete without accompanying footnotes as shown at www.dsmcapital.com
 (c) Total return including dividends.
 (d) The fund is registered with the AFM for public distribution in the Netherlands
 (e) Share Class C is German tax registered from 4/1/08.
 (f) Share Class U has UK Distributor Status as approved by HMRC

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